

Congress of the United States

Washington, DC 20515

March 24, 2003.

Dear Energy and Commerce Committee Colleague:

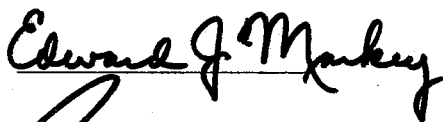
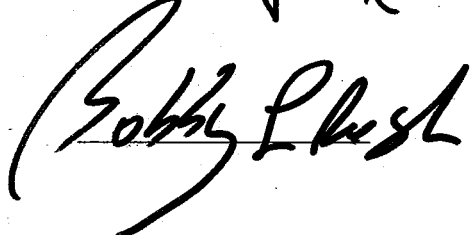
We are writing to express our strong opposition to the proposed Low-Income Home Energy Assistance Program (LIHEAP) amendment to the Energy Policy Act of 2003 circulated at the March 19th Energy and Air Quality subcommittee markup, which we understand could be debated by the Energy and Commerce full committee the first week of April.

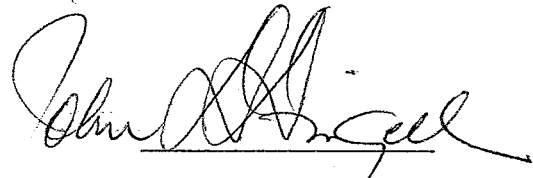
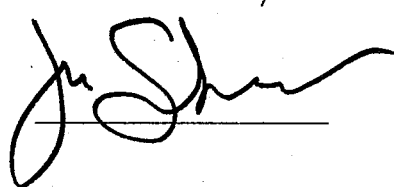
The proposed amendment would make complex and highly controversial adjustments in the LIHEAP allocation formula that would hurt Northeastern and Midwestern states and disrupt the way in which this program would be administered at the state level. Under the current formula, funds are distributed based on a state's share of home heating expenditures by low-income households using (1) the amount of home heating or energy expenditures, and (2) the heating degree days and population living under the poverty income level. *If regular appropriations exceed \$1.975 billion*, each state's allocation is based on a state's share of home heating and cooling expenditures by low-income households. This effectively sends more funding to southern and western states. The proposed amendment would reduce the threshold of the change, triggering the second formula at *\$1 billion*. This would change LIHEAP's original intent to mitigate the combined impacts of low-income, high energy costs, and sustained seasonal temperature extremes. For example, with the amendment in place, states in the Northeast and Midwest would lose \$199 million in funding each year at an appropriation level of \$1.7 billion.

The LIHEAP program targets the states with the greatest need. During 2000-2001, the program served roughly 5 million households, sixty-one percent of which lived in the Northeast, Midwest, and Mid-Atlantic states. Residential energy expenditures averaged \$1237 for a LIHEAP household in the Northeast; \$1,125 in the Midwest; \$981 dollars in the South and \$810 in the West. Home heating costs LIHEAP households an average of \$450 in the Northeast and \$419 in the Midwest, whereas cooling costs amount to \$170 in the South and \$57 in the West.

A change to the formula as significant as this, proposed under time constraints that do not permit a detailed, clear-minded examination of the outcomes of such a profound shift in funding, should not take place when trying to expedite the legislative progress of energy policy reform. We, therefore, urge you not to make any changes to the LIHEAP formula during consideration of the energy bill.

Sincerely,

~~James Greenwood~~
Mike Dwyer
Mike Ferguson
Bart Stupak

James Brown

Tom Allen

Frank Pallone Jr.
Ted Strickland
Vt. Fed
Charles F. Bass
E. Brown
Eliot L. Engel